



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 1, 2004

H.R. 1914 **Jamestown 400th Anniversary Commemorative Coin Act of 2003**

*As ordered reported by the House Committee on Ways and Means
on June 23, 2004*

SUMMARY

H.R. 1914 would direct the U.S. Mint to produce a \$5 gold coin and a \$1 silver coin in calendar year 2007 to commemorate the 400th anniversary of the founding of Jamestown, Virginia. The bill would specify a surcharge on the sales price of \$35 for the gold coin and \$10 for the silver coin and would designate the Jamestown-Yorktown Foundation (an educational institution of the Commonwealth of Virginia), the National Park Service, and the Association for the Preservation of Virginia Antiquities (a private nonprofit association), as recipients of the income from those surcharges.

CBO estimates that enacting H.R. 1914 would have no significant net impact on direct spending over the 2004-2009 period. H.R. 1914 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and would likely benefit the Commonwealth of Virginia.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 1914 could raise as much as \$8.5 million in surcharges if the Mint sells the maximum number of authorized coins. Recent commemorative coin sales, however, suggest that receipts would be about \$3 million. Under current law, the Mint must ensure that it will not lose money on a commemorative coin program before transferring any surcharges to a designated recipient organization. CBO expects that the Mint would collect most of those surcharges in fiscal year 2007 and would transfer collections to the designated recipients in fiscal year 2008.

H.R. 1914 could limit the collection of surcharges from more than two commemorative coins in any calendar year. According to the Mint there are currently no commemorative coins scheduled to be issued in 2007, so we expect this provision would not reduce the collection or spending of surcharges for the Jamestown 400th Anniversary Commemorative Coins.

In addition, CBO expects that the Mint would use gold obtained from the reserves held at the Treasury to produce the gold coin. Because the budget treats the sale of gold as a means of financing governmental operations—that is, the Treasury’s receipts from such sales do not affect the size of the deficit—CBO has not included such receipts in this estimate. CBO estimates that H.R. 1914 would provide the federal government with about \$3.5 million in additional cash (in exchange for gold) for financing the federal deficit in fiscal year 2007.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1914 contains no intergovernmental or private-sector mandates as defined in UMRA, and would likely benefit the Commonwealth of Virginia.

PREVIOUS CBO ESTIMATES

On June 25, 2004, CBO transmitted a cost estimate for S. 976, the Jamestown 400th Anniversary Commemorative Coin Act of 2003, as ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs. On March 22, 2004, CBO transmitted a cost estimate for H.R. 1914, as ordered reported by the House Committee on Financial Services on March 17, 2004. The three pieces of legislation are similar and our cost estimates are the same.

ESTIMATE PREPARED BY:

Federal Costs: Matthew Pickford
Impact on State, Local, and Tribal Governments: Sarah Puro
Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis